Labour Market Notes

Labour market continues to recover

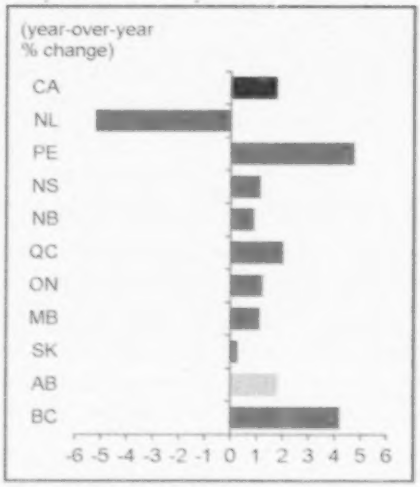
Alberta

- Employment builds on recent gains. Alberta's employment increased by 2,100 in May. Employment has increased in eight of the last ten months and is now 41,400 above the July 2016 low.
- Goods sector is improving. Employment increased in the goods-producing sectors (+1,900), while the service-producing sectors was little changed. Employment in the goods sector has continued to grow as gains in the resource and manufacturing sectors have offset ongoing weakness in construction.
- More full-time employment. The transition back to full-time employment accelerated in May, with all the job gains in full-time positions (+18,900), while the number of part-time jobs declined (-16,700).
- Employment is growing. On a year-over-year basis, employment increased for the second month in a row. Alberta gained 40,700 jobs over the last 12 months, growing 1.8% year-over-year, and exceeding the Canadian growth rate for the first time since September 2015.
- Unemployment rate at a 13 month low. The unemployment rate decreased by 0.1 percentage points to reach 7.8% in May, the lowest level since April 2016, as fewer Albertans looked for work. The participation rate dropped 0.2 percentage points following a 0.4 percentage points decline in April, to reach 72.5%, completely offsetting the gain experienced in March.
- The private sector is gaining momentum. The private sector added 17,900 jobs in May, the third consecutive monthly gain and the largest monthly gain in the last fifteen months. Conversely, the number of self-employed declined for the second month in a row.
- Earnings remain soft. Average Weekly Earnings (AWE) regained some of the recent losses increasing 0.8% in March to $1,118. Despite the monthly gain, earnings remain 0.8% lower than a year ago.

Canada

- Employment gains continue. Canadian employment increased by a substantial 54,500 in May, the sixth consecutive monthly increase. The increase was primarily due to gains in Ontario (+19,900), Quebec (+14,900) and BC (+12,300). Year-over-year, Canadian employment grew by 316,800, the largest 12 month gain since February 2013.
- Unemployment rate ticks up. The Canadian unemployment rate rose by 0.1 percentage point to 6.6% in May, as the growth in the labour force exceeded the monthly employment gains.
- Canadian earnings stable. Canadian average weekly earnings (AWE) rose 0.2% month-over-month in March to reach $966, 0.9% higher than a year ago.

Employment Growth by Province, May 2017 vs. May 2016



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,291,100
month-over-month change	2,100
year-over-year % change	1.8%
Alberta Unemployment Rate (LM)	7.8%
Edmonton LM**	7.0%
Calgary LM**	9.3%
Participation Rate	72.5%
Average Weekly Earnings (AWE)	$1,117.59
year-over-year % change	-0.8%
Average Hourly Wage	$29.45
year-over-year % change	0.5%
Job Vacancy Rate***	1.4%

Source: Statistics Canada

* All data is from the May 2017 Labour Force Survey, except AWE which is the March 2017 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for February 2017.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Alberta Government

June 2017
Treasury Board and Finance
Economics and Revenue Forecasting

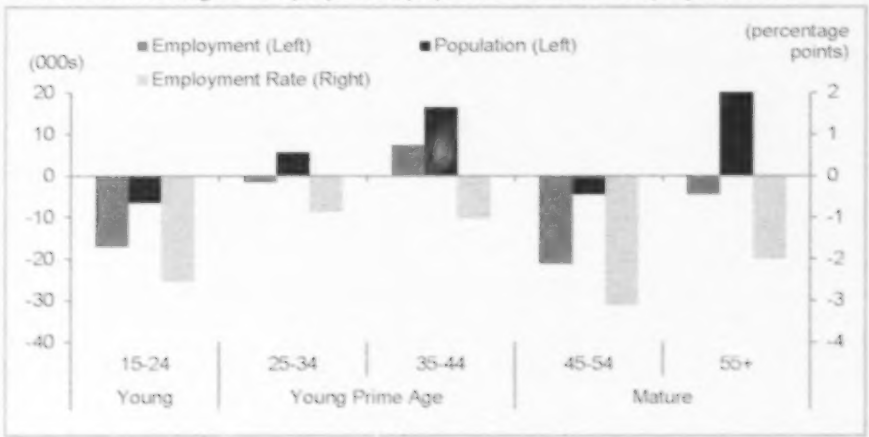
Young and mature workers hardest hit by downturn

While overall employment fell in 2016, the majority of the losses were felt by young and older workers. This labour insight looks at the how employment by age changed and recovered from the economic downturn.

Young and mature workers hardest hit

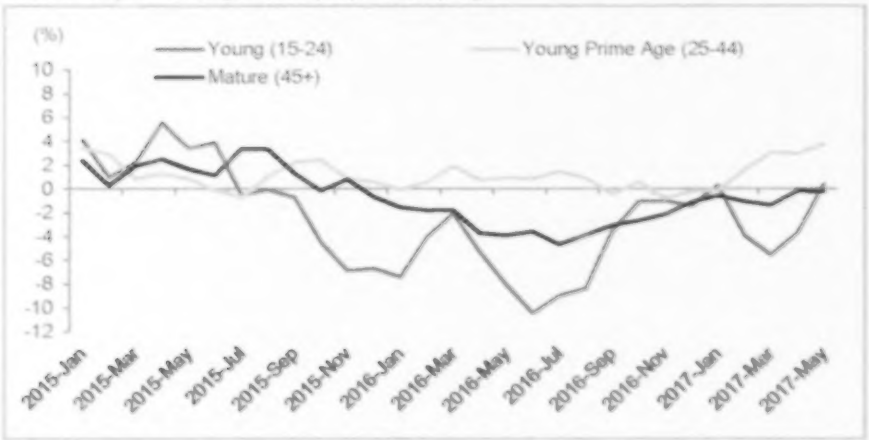
The employment declines in 2016 were concentrated in young (aged 15-24) and mature (aged 45 and up) workers. Declines in youth employment accounted for a significant portion of the total job losses recorded in 2016. The remainder of the job losses occurred among mature workers, with the 45-54 age cohort experiencing the largest decline. Employment among younger prime age workers (aged 25-44) fared far better (Chart 1).

Chart 1: Young and mature workers hardest hit
2016 annual change in employment, population and the employment rate



Source: Statistics Canada

Chart 2: Recovery in young and mature employment lagging
Year-over-year change in employment by age



Source: Statistics Canada

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Employment rate by age

Alongside employment, the employment rate fell in both the young and mature groups in 2016. The employment rate is a ratio of the number of employed to the population. Population ageing resulted in the population falling in both the young and 45-54 age groups. With employment losses greater than the population decline, these two groups saw significant drops in the employment rate, 2.5 and 3.1 percentage points, respectively. The ageing population also resulted in a rising population in the 55+ age group which led to a 2.0 percentage point decline in the employment rate.

Although the young prime age group was less affected in the downturn, their employment rate also fell. Despite rising employment, the employment rate dropped 1.0 percentage point in the 35 to 44 group, as the growth in population exceeded the gain in employment. Likewise, the employment rate in the 25 to 34 cohort dropped 0.9 percentage points, as it also experienced population growth along with mild job losses.

Uneven recovery

Employment among the youth and mature cohorts has also been slower to recover (Chart 2). Since the employment low in July 2016, the majority of the job gains have occurred in the 25 to 44 age group. Employment in this group has been increasing year-over-year since February. Employment for those aged 45 and over continues to decline, and youth employment after experiencing declines remained virtually unchanged year-over-year in May.

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